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SUBJECT: Media Reaction Sao Paulo; March 13- 2009

Media Reaction - Global Economy: Financial market crisis; Sao Paulo
March 13, 2009

Title: The G spot and the Zero Spot

Op-Ed in liberal Folha de S. Paulo (3-13) by Brazil's former president and current head of the Brazilian Federal Senate Jose Sarney states: "....In economics, in times of crisis the G spot is the time when interest rates equal zero....the current crisis is contradicting and making inefficient many of the economic instruments that once were believed to be miraculous and able to revert expectancies and disasters....almost all countries interest rates are now close to zero. What happens is that the once heroic medicine does not take effect anymore? Economists are working on a new thesis now: that in times of crisis, as the one we are going through right now, nothing works....Our solution is to try to break the resistance in investing in our domestic market to create jobs because the worst, in all crises, is not the banks that collapse, but the millions of people that lose their jobs and enter the tragic world of poverty, misery and hunger."

(Note: PA Sao Paulo is aware that G spot is a vulgar reference but it is consistent with statements made by President Lula in the past.)

Title: A Dim Scenario

Editorial in center-right O Estado de S. Paulo (3-13) states: "....The capital flow to emerging markets in 2009 will be the lowest since the beginning of the decade. Without foreign investment and needed financing, these countries will invest little in infrastructure or in the social protection network, and this will have a strong effect on their capacity to grow....The rebound of the world economy could improve the situation but this still seems very distant. The World Bank estimates that 2009 will be the worst year for the global economy since the end of the World War II."

WHITE